

## Mining and Rock Excavation Technique



Capital Markets Day, November 20, 2013  
Johan Halling, Business Area President

*Sustainable Productivity*



## Agenda

- 1 Market overview
- 2 Business overview
- 3 The strategic pillars for profitable growth
- 4 Summary









# Market overview

Segments and outlook / trends



# Mining

Underground mining	Surface mining	Exploration
		
		



## Outlook / trends

### Mining

- Development of emerging markets drive demand for minerals
- Demand for service and consumables still high
- Focus on total cost of operation



Atlas Copco

5 Atlas Copco Capital Markets Day 2013

## Civil engineering / construction

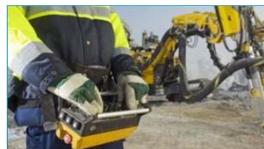
Underground civil engineering



Quarrying



Surface civil engineering



Crushing and screening



Ground engineering



Waterwell  
Oil & Gas



Atlas Copco

6 Atlas Copco Capital Markets Day 2013

### Outlook / trends

Civil engineering / Infrastructure

- Investments in infrastructure
- Total cost of ownership and optimization of full value chain
- Mechanization

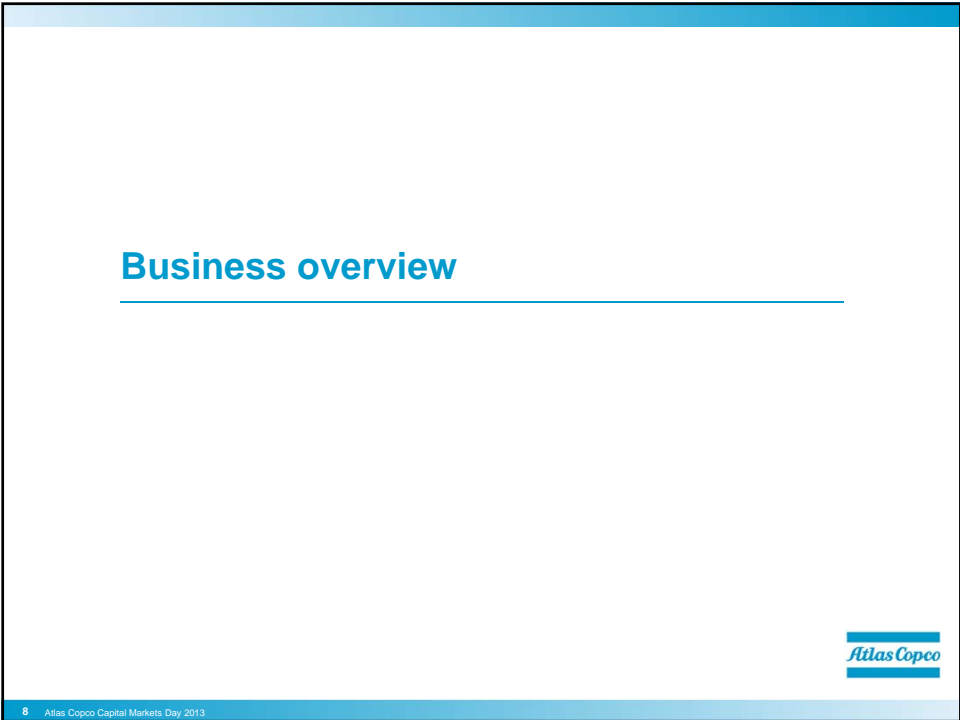


The image shows a large-scale infrastructure project. On the left, a dam with several spillways is visible, with water flowing through them. To the right, a large tunnel entrance is cut into a rock face. Several yellow Atlas Copco mining vehicles, including a wheel loader and a haul truck, are operating on a dirt road within the construction site. The Atlas Copco logo is in the bottom right corner.

7 Atlas Copco Capital Markets Day 2013

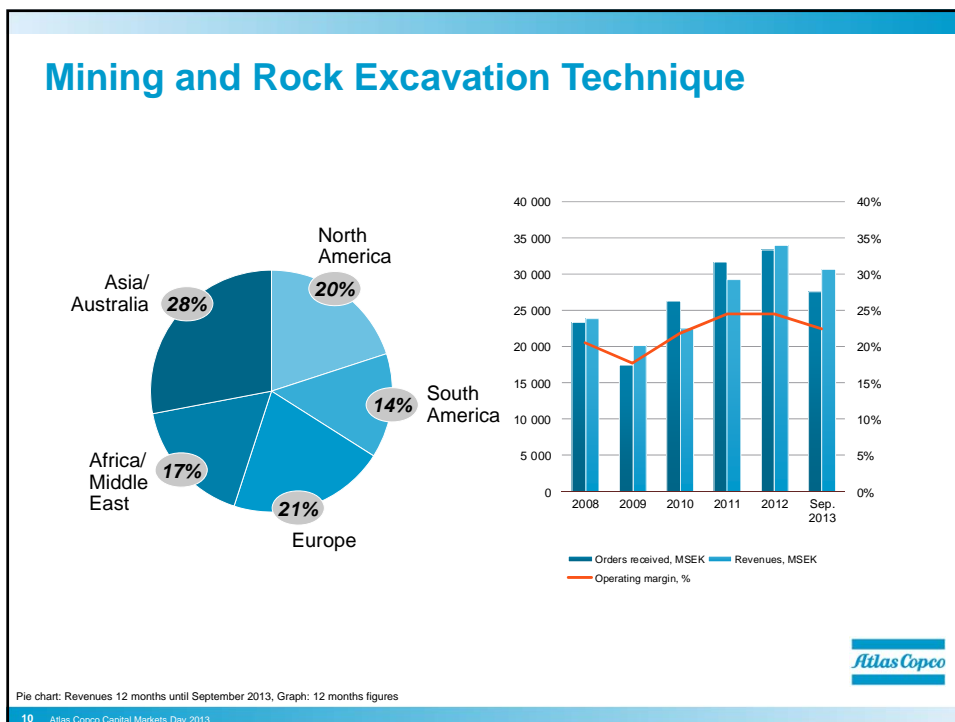
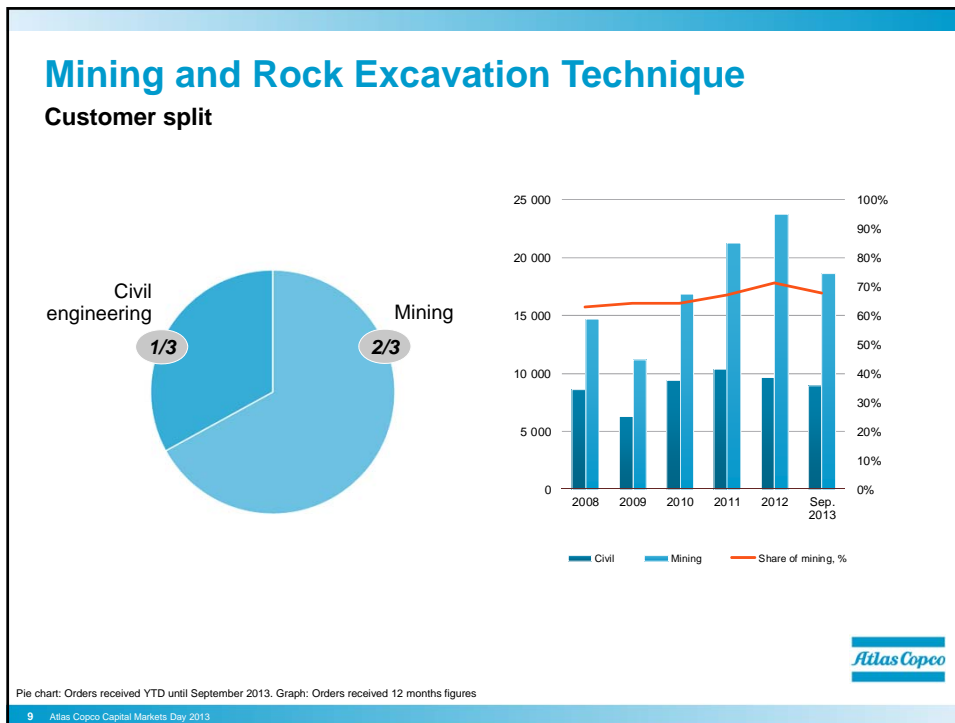
### Business overview

---



The slide is mostly blank with a blue header bar at the top. The text 'Business overview' is centered in blue, followed by a horizontal line. The Atlas Copco logo is in the bottom right corner.

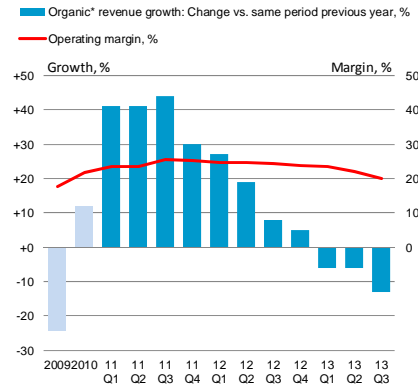
8 Atlas Copco Capital Markets Day 2013



## Mining and Rock Excavation Technique

### Q3

- 17% organic order decline
- Operating margin at 20.8% (24.6)
- Acquisition of oil and gas service business
- Johan Halling new Business Area President

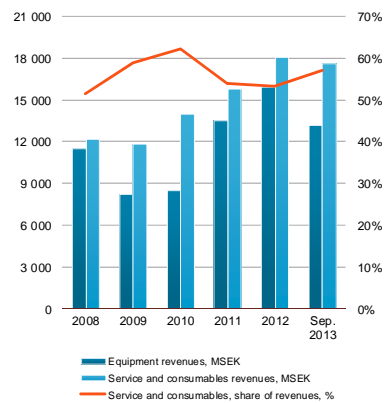
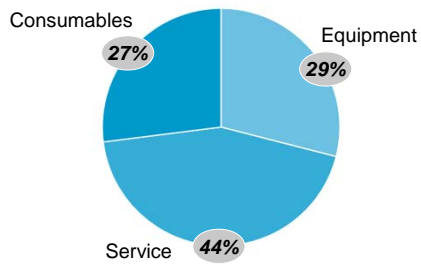


11 Atlas Copco Capital Markets Day 2013



## Mining and Rock Excavation Technique

- Orders received Q3 2013

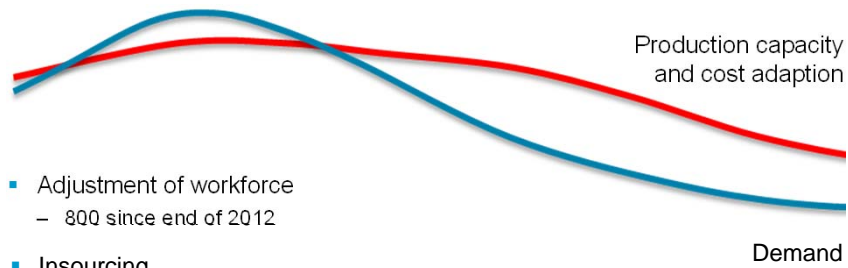


Pie chart: Orders received Q3 2013, including cancellations. Graph: Revenues 12 months figures

12 Atlas Copco Capital Markets Day 2013



## Capacity adjustments



- Adjustment of workforce
  - 800 since end of 2012
- Insourcing
- Further adjustments are being carried out



## The strategic pillars for profitable growth



## Service – success factors

Professional service

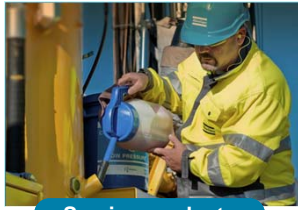
Parts availability



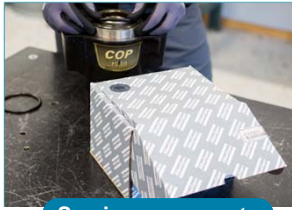
Training



Service products



Service agreements



Atlas Copco

15 Atlas Copco Capital Markets Day 2013

## Consumables – success factors

Professional service

- A global dedicated sales and service force close to the customer
- Performance contracts
- Availability
- Logistics / supply chain
- New innovative products
- Continuous product cost reduction



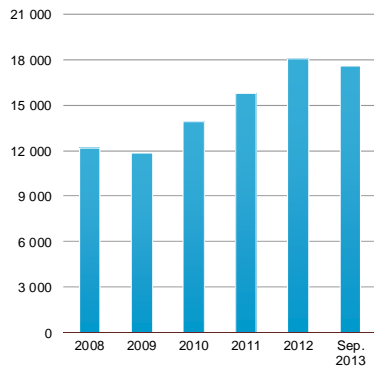
Atlas Copco

16 Atlas Copco Capital Markets Day 2013



## Focus on service and consumables

Professional service



- Resilient business
- >70% of current order intake
- Organic growth YTD 2013 approx. +2%

▪ Service and consumables revenues, MSEK

Atlas Copco

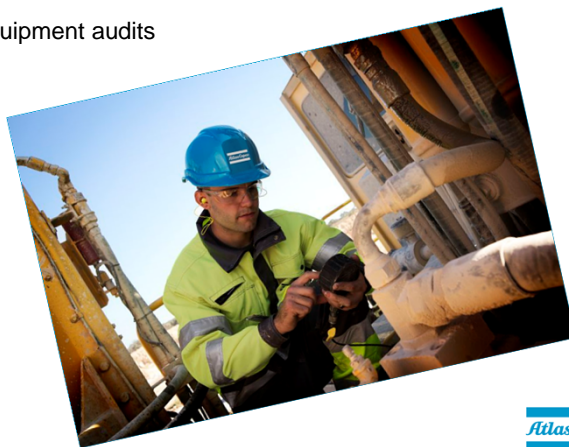
Service and consumables 12 months figures

17 Atlas Copco Capital Markets Day 2013

## Innovation: RigScan

Innovation


- Sophisticated equipment health check that detects if a part is approaching failure
- A new standard in equipment audits



Atlas Copco

18 Atlas Copco Capital Markets Day 2013

### Innovation: Automation



<i>Safer work environment</i>	<i>Lower operational costs</i>
<i>Higher equipment utilization</i>	<i>Fewer operators required</i>

19 Atlas Copco Capital Markets Day 2013

Innovation

Atlas Copco

### Innovation: Electric loader

- Reduced energy consumption by up to 70%
- Minimized CO<sub>2</sub> emissions



20 Atlas Copco Capital Markets Day 2013

Innovation

Atlas Copco

## Innovation: 40kW rock drill

- For tunnelling applications
- 20–30% faster than the nearest contender and optimized for hard rock conditions



Innovation

Atlas Copco

21 Atlas Copco Capital Markets Day 2013

## Innovation: PowerROC T25

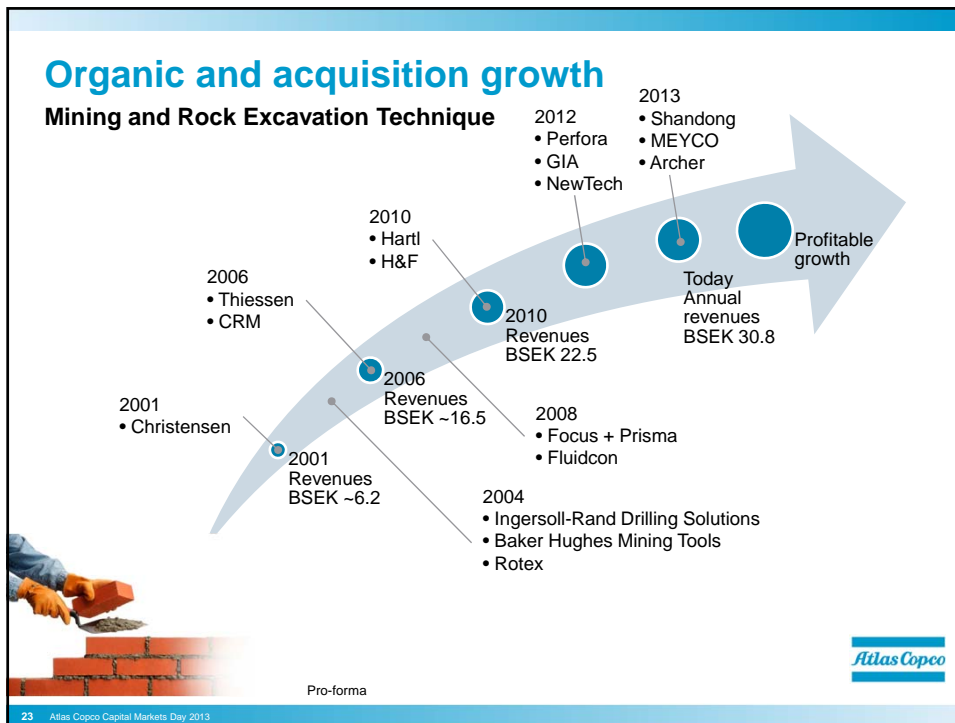
- Powerful surface drill rig with differentiated value proposition
- Low fuel consumption



Innovation

Atlas Copco

22 Atlas Copco Capital Markets Day 2013



### Summary

- Short term, the market for mining equipment is depressed
- Actions to adapt to the current environment
- Resilient profitability due to high share of revenues from service and consumables
- Long term, the market for Mining and Rock Excavation Technique is good
- High ambition for continuous organic growth and acquisitions

Atlas Copco

24 Atlas Copco Capital Markets Day 2013

**Committed to  
sustainable productivity.**



25 Atlas Copco Capital Markets Day 2013

A large version of the Atlas Copco logo, featuring the company name in a blue, italicized serif font, centered between two thick horizontal blue bars.